

AN ANALYSIS OF ZAKAT AND THE IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT GOALS (SDGS) IN PERMODALAN NASIONAL BERHAD (PNB)

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Abstract	<p><i>The obligation of zakat is not only on individuals but also on business entities. Business entities are seen to provide higher and enormous business zakat payment prospects compared to individuals in line with the main purpose of establishing business entities is to generate profits. Permodalan Nasional Berhad (PNB) is the largest capital and investment management company in Malaysia which is also perform their business zakat obligation. Recently, the United Nations (UN) has outlined the Sustainable Development Goals (SDGs) covering social, economic, and environmental elements. Therefore, the purpose of this article is to analyse the relationship between the implementation of the SDGs through zakat issued by PNB. This qualitative study was conducted using data collection and data analysis methods. Data collection methods are done through library research. The data obtained were analysed based on inductive, deductive, and comparative methods to obtain the results of the study. The results of this study found out that PNB implements wakalah zakat in performing their business zakat obligation. PNB also achieving their SDGs agenda through the zakat payment activity.</i></p> <p>Keywords: PNB, Implementation, SDGs, Wakalah, Zakat.</p>
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INTRODUCTION

The obligation of zakat is not only on individuals but also on business entities. Business entities are seen to provide higher and greater business zakat prospects compared to individuals in line with the purpose of establishing business entities is to generate profits.

Permodalan Nasional Berhad (PNB) is one of the business entities that is seen to provide the prospect of paying zakat. From a historical standpoint, the Bumiputra Investment Foundation (YPB) was established in early January 1978 to formulate policies and guidelines for Bumiputera equity investment participants. To implement the policy, YPB established PNB as a wholly-owned subsidiary. PNB was established on 17 March

1978 as one of the instruments of the New Economic Policy (NEP) to replant economic imbalances in Malaysian society (PNB Website, 2020).

PNB is the largest capital and investment management company in Malaysia which also owns unit trust management companies namely Amanah Saham Nasional Berhad (ASNB) and Amanah Mutual Berhad (AMB). PNB has assets under management (AUM) which now reaches more than RM276.5 billion compared to only 3.5 billion in 1981. The location of the company's headquarters is located at Jalan Tun Razak, Kuala Lumpur near the Tabung Haji building. PNB is the holding company of Amanah Saham Nasional Berhad (ASNB) which operates a number of trust fund schemes, and its subsidiaries are wholly owned by Yayasan Pelaburan Bumiputra. The company has overseas offices in Singapore and London and plans to open its third overseas branch in Tokyo (PNB Website, 2020).

Amanah Saham Nasional Berhad (ASNB) is a wholly-owned subsidiary of Permodalan Nasional Berhad (PNB). ASNB was established on 22 May 1979 to manage the Funds launched by PNB. After 40 years in the industry, ASNB now manages 14 funds worth RM235.74 billion as of the last post on 31 December 2018 (ASNB Website, 2020).

METHODOLOGY

This research employed a combination of qualitative methods such as the library and field research for obtaining the primary and secondary data for the analysis. The techniques of data collection used were interviews and document analysis. The instruments used for the interviews were a structured interview protocol. The primary data were obtained through selective interviews with several experts and practitioners in the field.

The secondary data were obtained through document analysis of the newspapers, articles, books and journals on the issues under investigation. Data analysis checklist was used to guide the analysis of the secondary data sources. The data were analysed using descriptive statistics and presented in the forms of tables and figures for the discussion.

ZAKAT AND THE IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT GOALS (SDGS) IN PERMODALAN NASIONAL BERHAD (PNB)

Payment of Zakat by Permodalan Nasional Berhad

PNB issues business zakat because it is a business entity. The business zakat issued does not cover the distribution of income for unit trust account holders who invest in funds operated by Amanah Saham Nasional Berhad (ASNB). Therefore, account holders are advised to pay zakat on their own investment in each unit trust (Berita Harian, 11 January 2018). The amount of zakat charged to ASNB unit holders is different because they have their own investment value, therefore a separate assessment needs to be carried out (Berita Harian, 9 March 2016).

Table 1. Total Business Zakat of PNB Group 2017

No.	State	Total (RM)
1	Pahang	9,384,000.00
2	Negeri Sembilan	7,376,800.00
3	Wilayah Persekutuan	17,265,600.00
4	Selangor	27,013,600.00
5	Melaka	5,384,000.00
6	Sabah	19,365,600.00
7	Kedah	11,386,400.00
8	Kelantan	11,867,200.00
9	Perak	5,865,600.00
10	Sarawak	15,631,200.00
11	Perlis	-
12	Johor	-

13	Terengganu	-
14	Pulau Pinang	-
TOTAL		130,540,000.00

Based on the table above, PNB has issued zakat amounting to RM130,540,000.00 to 10 states in year 2017. The highest amount of zakat issued is in the state of Selangor amounting to RM27,013,600.00. While the lowest amount of zakat issued is in Melaka amounting to RM5,384,000.00.

Zakat Management Permodalan Nasional Berhad

The payment of PNB zakat is controlled and monitored by PNB's syariah committee to ensure fulfillment of zakat obligations. PNB is a business zakat issuer entity to zakat institutions throughout the state, apart from that PNB also issues zakat by making direct distributions to asnaf who are eligible to receive zakat (Ahmad Basri Ibrahim, 2021).

PNB Group Chairman, Tan Sri Abdul Wahid Omar explained that PNB has allocated a total of RM33 million for zakat contributions, of which 80 percent is channeled to state zakat distribution centers and 20 percent is given directly to the asnaf (Berita Harian, 17 January 2018).

It should be clarified that PNB does not practice wakalah zakat which acts as a representative of zakat institutions to distribute zakat to asnaf who are eligible to receive after receiving the refund of zakat money from the State Islamic Religious Council. Wakalah is a policy for the return of zakat money by the State Islamic Religious Council to entities that pay zakat to state zakat institutions to be distributed to eligible asnaf (PPZ Website, 2020).

Zakat Recipients Of Permodalan Nasional Berhad

PNB has distributed zakat to various asnafs directly, among them are the fakir, the poor, ibn sabil, muallaf, riqab, gharimin and fi sabilillah. Various types of assistance scheme initiatives provided by PNB include educational scholarships, business assistance, health equipment, daily necessities for food and drink, purchase of vans for schools, hearses for mosques and rehabilitation of welfare homes, mosques and schools. and so on (Ahmad Basri Ibrahim, 2021).

PNB has distributed zakat amounting to RM700,000 to benefit students in the matriculation program, Ministry of Education Malaysia (MOE), especially to students who are less able. A total of RM300,000 of this contribution was distributed to 300 outstanding students, while another RM400,000 was distributed to 800 students each from low-income households (B40). The purpose of the zakat distribution is PNB's contribution to help matriculation students as well as ease their burden, especially when furthering their studies at the university level (Berita Harian, 17 January 2018).

In 2019, PNB through the distribution of Zakat, a total of RM10 million was channeled to 62,742 beneficiaries in education, community and healthcare activities (PNB Annual Report, 2019).

In 2020, PNB has contributed a total of RM17.2 million through PNB's CSR Zakat Distribution Program operated by the Shariah Management Department. The allocation of zakat is in line with PNB's CSR Zakat Framework, as approved by PNB's Board of Directors. The breakdown of the distribution scheme is RM6.9 million for education, RM6 million for health and RM4.3 million for the community (PNB Annual Report, 2020).

In response to the COVID-19 pandemic, PNB has also allocated zakat to be contributed to the COVID-19 government assistance fund of RM2.9 million COVID-19 Special Assistance for the Ministry of Health, RM1.97 million Contribution to the Department of Medical Social Work and RM800, 000 Special Assistance COVID-19 PPZ MAIWP under the musaadah program (PNB Annual Report, 2020).

ANALYSIS AND DISUCSSION

Analaysis on Implementation of Sustainable Development Goals (SDGs) in Permodalan Nasional Berhad (PNB)

Sustainable Development Goals (SDGs) agenda are inclusive of social elements (56%), economy (20%) and environment (24%). The SDGs are the core of the 2030 agenda for sustainable development agreed upon by the Heads of State and the international community on 25 September 2015 at the United Nations (UN) (Economic Planning Unit, 2017).

The SDGs are a continuation of the development agenda after the end of the Millennium Development Goals (MDGs) in 2015. The MDGs have 8 goals and 21 targets. While the SDGs are expanded to 17 goals and 169 targets with the goal of continuing the 2030 agenda to achieve balance in three dimensions of sustainable development which includes social, economic, and environmental (Department of Statistics, Malaysia, 2018).

The implementation of the SDGs is aimed at ensuring future generations so that they are able to get all the basic necessities needed. This program includes people (humans), planets (prosperity), prosperity (prosperity), peace (security), and partnership (strategic partners), which is expected to end the problems currently being experienced by developing countries (Economic Planning Unit, 2017). The following is a list of SDGs that have been outlined:

Table 2. Sustainable Development Goals (SDGs)

No	Sustainable Development Goals (SDGs)
1	No Poverty
2	Zero Hunger
3	Good Health and Well-being
4	Quality Education
5	Gender Equality
6	Clean Water and Sanitation
7	Affordable and Clean Energy
8	Decent Work and Economic Growth
9	Industry, Innovation and Infrastructure
10	Reduced Inequality
11	Sustainable Cities and Communities
12	Responsible Consumption and Production
13	Climate Action
14	Life Below Water
15	Life on Land
16	Peace and Justice Strong Institutions
17	Partnerships to achieve the Goal

Source: <https://sustainabledevelopment.un.org/sdgs>

Based on the table above, there are 17 goals that the world wants to achieve by 2030 namely no poverty, zero hunger, health and well-being, quality education, gender equality, availability of sustainable water management and sanitation, ensuring access to affordable, sustainable energy and modern, career development and economic development, building resilient infrastructure, promoting inclusive, sustainable industry and innovation, reducing area inequality, urban and community sustainability, ensuring sustainable consumption and production patterns, addressing climate change and its impacts, ocean ecosystems, terrestrial ecosystems, a peaceful, just, and strong institution, a strategic partner to achieve goals (Azri Bhari et.al, 2019).

Zakat has a clear objective in the Qur'an and hadith as explained by the scholars of law in the books of fiqh (Azri Bhari & Luqman Abdullah, 2016). After analysis, zakat issued

by PNB can be aligned with the implementation of the achievement of SDGs as in the following table:

Table 3. PNB Zakat and Implementation of SDGs

No.	Sustainable Development Goals (SDGs)	Suitability
1	No Poverty	/
2	Zero Hunger	/
3	Good Health and Well-being	/
4	Quality Education	/
5	Gender Equality	/
6	Clean Water and Sanitation	/
7	Affordable and Clean Energy	/
8	Decent Work and Economic Growth	/
9	Industry, Innovation and Infrastructure	/
10	Reduced Inequality	/
11	Sustainable Cities and Communities	/
12	Responsible Consumption and Production	/
13	Climate Action	/
14	Life Below Water	/
15	Life on Land	/
16	Peace and Justice Strong Institutions	/
17	Partnerships to achieve the Goal	/

Discussion on Zakat and Implementation of Sustainable Development Goals (SDGs) in Permodalan Nasional Berhad (PNB)

Based on the table above, all the implementation of the SDGs can be adapted and achieved by PNB through zakat that has been issued for assistance to asnaf in terms of education, community and health care (Ahmad Basri Ibrahim, 2021).

Among the examples of the implementation of the SDGs, in achieving the SDGs of no poverty and quality education, PNB has distributed zakat to underprivileged students and students from low -income households (B40) (Berita Harian, 17 January 2018).

Furthermore, in achieving the SDGs of the strategic partner to achieve the goal, PNB cooperates with the Ministry of Education Malaysia (MOE) in distributing zakat contributions to matriculation program students, especially those who are less able based on the criteria set by PNB. PNB has also established good cooperation with the State Islamic Religious Council in implementing wakalah zakat which is also seen to achieve these SDGs.

Furthermore, in achieving the health and well -being SDGs, PNB has allocated zakat to a strong public health infrastructure that can support healthy living and improve the well -being of Malaysians. As a responsible corporate entity, PNB pledges to be committed to meeting the needs of public health through this contribution in health.

To increase access to medical treatment, especially in areas where many Malaysians are affected by health problems, PNB through financial assistance supports the purchase of several medical equipment for medical problems related to cardiology, ophthalmology and nephrology. In collaboration with the Medical Development Division, Ministry of Health Malaysia (MOH), PNB has contributed a zakat fund of RM11.16 million to purchase medical equipment for 23 government hospitals nationwide.

CONCLUSION

The SDGs are a global agenda agreed upon in the United Nations. Once analyzed, the SDGs can be achieved through zakat issued by PNB. All the core SDGs can be implemented by PNB to achieve excellence. Among them is seen in parallel for development and improving the living standards of the poor, needy and other asnaf. In addition, ensure each asnaf is not left behind to get the basic necessities needed. Next, provide skills and training to the asnaf to be able to produce zakat payers from among the asnaf.

Such is the role of PNB in issuing business zakat to zakat institutions and directly to asnaf from the aspects of education, society and healthcare that are able to achieve all SDGs.

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